

Ref. No.: AUSFB/SEC/2025-26/450

Date: February 22, 2026

To,

National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. NSE Symbol: AUBANK	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. Scrip Code: 540611, 974093, 974094, 974095, 974914, 974963, 975017, 975038 & 976580
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Dear Sir/Madam,

Sub: Press Release - Clarification on Media Reports Relating to Haryana Government's de-empanelment instructions

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

We submit herewith press release regarding clarification on Media Reports Relating to Haryana Government's de-empanelment instructions.

The Press Release may also be accessed on the website of the Bank at the link:
<https://www.au.bank.in/stock-exchange-disclosures>.

This is for your information and records.

Thanking You.

Yours faithfully,

For AU SMALL FINANCE BANK LIMITED

Manmohan Parnami
Company Secretary and Compliance Officer
Membership No.: F9999
investorrelations@aubank.in

Encl.: As above

AU Small Finance Bank Clarifies Media Reports Relating to Haryana Government De-Empanelment Instructions

Mumbai, February 22, 2026

AU Small Finance Bank Limited (“AU Small Finance Bank” or “the Bank”) wishes to clarify certain media reports, and investor queries that have arisen in the context of de-empanelment of the Bank along with another private sector bank, by the Government of Haryana for government business and the recent disclosure of unauthorized and suspected fraudulent activities by the said private sector bank.

In this regard, the Bank wishes to clarify the following, based on the information currently available and a preliminary internal review.

Background and Chronology

1. The Bank received a communication dated February 16, 2026, from a particular Department of Government of Haryana, seeking account opening and transaction details relating to one specific account opened by the said department (**“Government Account”**). All requested account-related details were submitted.
2. On February 18, 2026, the Bank also received a separate communication from the department seeking information regarding suspected unauthorized transactions between the Government Account and another customer account (**“Customer Account”**) maintained with the Bank.
3. Additionally, on February 18, 2026 itself, Finance Department, Govt. of Haryana, communicated to the Bank about its de-empanelment for Government business in the State of Haryana.

Facts and initial findings:

4. Basis all these events and communications, the Bank has initiated an internal review on this matter.
5. The Bank confirms that both these accounts were duly opened after completion of all applicable KYC checks and requisite authorizations and in accordance with the Bank’s internal policies and processes.

6. Further, the Bank has also reviewed all the transactions in the said Government Account. As per the Bank's records:
 - a) This Government Account was opened with an initial credit of ₹25 crore transferred from a large private sector Bank.
 - b) Additional credits of ~₹47 crores were subsequently received through multiple transactions from another private sector Bank, which has recently provided public disclosure of unauthorized and suspected fraudulent activities.
 - c) Out of the total credits received in the Government Account, ~₹47 crores were transferred to the Customer Account through 14 transactions.
 - d) As per Bank's preliminary findings, all these 14 transactions were initiated by the concerned Government Department, duly authorised, and executed in accordance with the instructions provided by the Department, in the normal course of business.
 - e) The Bank maintains a complete audit trail and all details including account opening forms, KYC documentation, cheques and other transaction instructions, verification call details and supporting records which have been submitted to the concerned Government Department.
 - f) The Government Account was closed on January 15, 2026, as per instructions from the Department and the outstanding balance of ₹25 crore along with accrued interest was transferred back to the original large private sector bank.
7. Based on available facts at this stage and preliminary review, there is no indication of any financial impact or any fraudulent activity towards the Bank.
8. The Bank's Board has been informed and the Bank continues its internal review on this matter. To ensure a fair and transparent review, certain employees have been placed off-duty.
9. The Bank is also engaging with the Government of Haryana for assessing the reasons for de-empanelment (the de-empanelment order was received on February 18, 2026), and will fully cooperate with the Government and any other authorities, as required.
10. As on February 17, 2026, the Bank had total deposits of ~Rs. 735 Crores from Government of Haryana which has reduced to ~Rs. 538 Cr as on February 21, 2026 across ~200 accounts (~0.4% of Bank's overall deposits as on December 31, 2026), post this de-empanelment.

11. We as a Bank, reiterate our commitment to strong governance, transparency, and the safeguarding of public funds and will continue to engage with Government of Haryana for re-empanelment and communicate with all other stakeholders.

About AU Small Finance Bank

AU Small Finance Bank Limited (AU SFB) is a Scheduled Commercial Bank and has established itself as India's largest Small Finance Bank since commencing its banking journey in April 2017. Founded in 1996 by Mr. Sanjay Agarwal, a first-generation entrepreneur, AU enters its 30th year of operations with a legacy of deep-rooted "Dharma" of customer centric service—having built, over three decades including more than eight years as a bank, a sustainable and inclusive financial institution that empowers underserved and under-reached communities through a robust retail banking model. AU has received an in-principle approval from RBI to transition to a Universal Bank.

With deep customer insight across India, AU provides comprehensive banking solutions across deposits, loans, credit cards, premium banking, remittance services, merchant solutions, insurance, and investments. As a tech-led bank, AU offers differentiated digital experiences through innovations like 24x7 video banking, WhatsApp Banking, Chatbots, UPI QRs, merchant lending, and its award-winning AU 0101 app.

AU SFB's wide network of over 2,726 banking touchpoints across 21 States and 4 Union Territories enables service to more than 1.25 crore customers, powered by a workforce of 59,800+ employees. As on 31st Dec'25, Bank has a Shareholders Funds of ₹19,085 Cr, Deposit base of ₹1,38,415 Cr, Total Loan Portfolio of ₹1,29,898 Cr and a Balance sheet size of ₹1.74 Lac Cr+.

AU SFB is listed on NSE and BSE and is rated 'AA/Stable' by CRISIL Ratings, ICRA Ltd., CARE Ratings, and India Ratings.

For more details, visit: www.au.bank.in | [LinkedIn](#) | [Facebook](#) | [Twitter](#) | [Instagram](#)

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